

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 6, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB1440 by Ellis (Relating to the requirement to prepay ad valorem taxes as a prerequisite to determining certain motions or protests and the authority of an appraisal review board to determine compliance with the requirement.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Tax Code, with regard to property taxation, to require that a property owner who files a motion under Section 25.25 or files a protest under Section 41.411 must pay the amount of taxes due on the portion of the taxable value of the property that is the subject of the motion or protest and that is not in dispute unless excused from this requirement by the appraisal review board based on an oath of inability to pay. The appraisal review board may dismiss motions or protests based on unexcused non-payment of the proper tax amounts.

Within 45 days after receiving notice of a determination of the appraisal review board that the property owner has forfeited the right to a final determination of a motion for failing to comply with the prepayment requirements of Section 25.26, a property owner or chief appraiser would be permitted to file suit to compel the appraisal review board to order a change in the appraisal roll. A property owner would be entitled to appeal in district court a determination of an appraisal review board that the property owner has forfeited the right to a final determination of a motion filed under Section 25.25 or of a protest under Section 41.411 for failing to comply with the prepayment requirements.

A property owner who establishes that the owner did not forfeit the right to a final determination of a motion or of a protest would be entitled to a final determination of the court.

The bill also would provide that delinquency dates for property taxes are unaffected by pending motions or protests filed under Section 25.25 or Section 41.411, respectively. The delinquency date would apply, however, only to the amount of taxes that are not in dispute.

The bill would specify procedures related to payment of taxes and delinquency dates related to motions and protests before an appraisal review board and extend certain rights to district court appeal. The procedures and rights specified by the bill would not change taxable values, tax rates, exemption amounts, or any other variable affecting property tax revenue. Consequently, there would be no fiscal impact on units of local government or the state.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KKR, SD, SJS